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# South Vietnam SUMMARY



State Department review completed

CENTRAL INTELLIGENCE AGENCY

GROUP 1  
Excluded from  
automatic downgrading  
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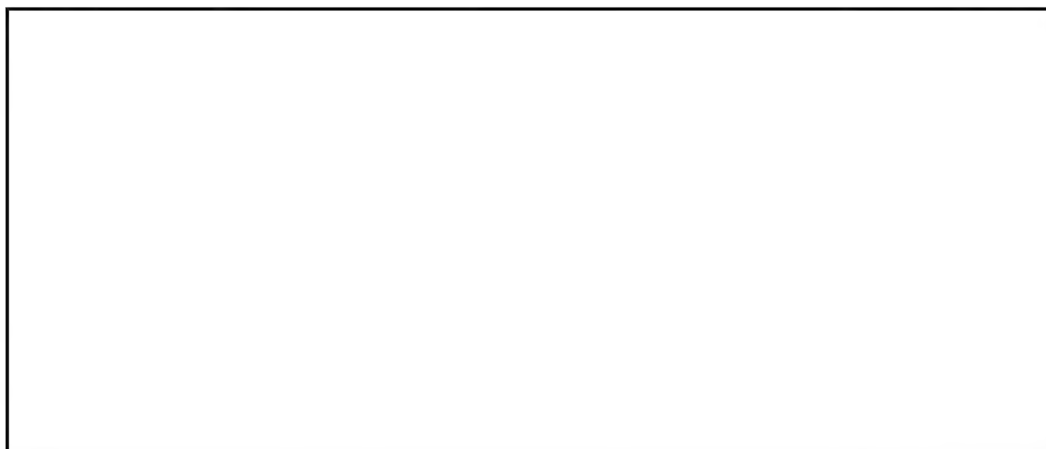
10 October 1963

THE SITUATION IN SOUTH VIETNAM  
(Information as of 1000 EDT)

1. Buddhist leader Tri Quang has given the Saigon embassy a long letter addressed to The President and Ambassador Lodge, in which he says the Buddhist aim must now be the replacement of President Diem, not merely reforms and the dismissal of other members of the Ngo family. He says the Vietnamese people now associate the US with Diem, and much of the opprobrium for him therefore rubs off on America. Diem's term runs to 1966, and the recent White House statement that the US military role in South Vietnam can be completed in 1965 is being interpreted as US desire to ensure him completion of his term; "therefore, if the Diem regime continues, whether or not the US leaves in 1965, the US will be hated as much as the French by the Vietnamese people."

(Tri Quang is also now in the process of writing a book on the Buddhist struggle in Vietnam, with one of sixteen proposed chapters completed.)

4. Press reports citing "usually well-informed sources" assert that the Diem regime has plans to counter suspensions of US aid by causing "controlled inflation," which would result in a disguised pay cut. The sources say that with about 15 billion piastres of bank notes now in circulation, the government is believed to have printed another 10 billion to bring this about. Diem recently hinted to the people that a "time of austerity" lies ahead.



6. In another of the sporadic Viet Cong terrorist attacks, three American civilians were injured last night by a grenade tossed into a hotel lobby in the delta town of Can Tho. Two Vietnamese were killed and three others injured.



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